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## Executive Summary

When analyzing emerging markets in Western Canada and specifically Alberta, the craft brewing industry stands out as a major opportunity for growth. Since 2013, the number of microbreweries in Alberta has increased from 13 to over 50 (see Appendix 2). With this growth, an opportunity for all inputs related to the brewing industry has emerged. Alongside the growth of demand for Hops across Western Canada, the emerging technology of hydroponics (practice of growing plants without soil) is changing the way plants are grown<sup>1</sup>. Currently, breweries (specifically in Alberta) have only a handful of options on where they can purchase hops. Most of the suppliers are in the Yakima Valley with two large distributors in British Columbia (see Appendix 10). The hops are grown either outside or in the confines of a controlled environment (greenhouse) and harvested throughout the year.

Glenwood Hops Co. will be the first large-scale hydroponic hops greenhouse facility in Canada<sup>2</sup>. The development of this facility will serve breweries in British Columbia, Alberta and Saskatchewan. By producing the hops with the use of hydroponics, the facility will not only cut costs of traditional soil production, but will decrease the facility's environmental impact. Glenwood Hops Co. will produce over 80,000lbs of hops per harvest which will allow them to fill as needed and contract orders as well as supply internationally.

The facility will be located in/outside of Glenwood and will be 217,800 square feet with 182,950 square feet of growable area. A warehouse for packing and storage will be built as well

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<sup>1</sup> <https://en.wikipedia.org/wiki/Hydroponics#History>

<sup>2</sup> There is one facility (Hydro Hop Farms) in Fort Collins, Colorado

as a space for offices. Initially the facility will employ six employees but has the potential to expand to upwards of twenty to thirty employees.

Glenwood Hops Co. will have various streams of revenue that have been determined by market research. The streams will include sales to breweries, home brewers as well as merchandise and tours of the facilities. The largest revenue stream will be sales to breweries which will account for 90% of sales. The second stream of revenue is selling the dried hops to home brewers (Appendix 20). Research has shown that home brewers in North America would be willing to buy Glenwood Hops Co. hops. The third revenue stream is the retail (merchandise and tours) portion that will be run out of the facility. The locally and uniquely grown hops are expected to hold a unique segment of the market and attract many contract and as-needed sales. Not only will the hops be uniquely grown, but the facility will allow for customers to see where their hops are being grown and to provide input into the varieties being produced.

The total capital investment is approximately \$7.7 million dollars with sales beginning in the third year (once construction is complete). Sales have the ability to one day exceed \$2 million dollars a year once production is at a maximum. Not only does Glenwood Hops Co. provide amazing potential returns but the company will completely revitalize the Village of Glenwood, putting it on the map while driving the economy through job creation, tourism attraction and making Glenwood an important place for breweries, home brewers and beer enthusiasts.

All in all, Glenwood Hops Co. is not only going to put Glenwood, Alberta on the map and drive the economy, but it will be an environmental steward that produces the highest quality

hops with the best customer service. The multiple streams of revenue and unique selling proposition is sure to bring success to the company.